

# FISCAL NOTE

**Bill #:** SB 365

**Title:** Allow installment payments of delinquent property taxes

**Primary**

**Sponsor:** John Cobb

**Status:** Introduced

---

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
-------------------	------	---------------------------------	------

---

## Fiscal Summary

	<u>FY2002</u>	<u>FY2003</u>
	<u>Difference</u>	<u>Difference</u>
<b>Net Impact on General Fund Balance:</b>	<b>0</b>	<b>0</b>

---

<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>
x			x
	Significant Local Gov. Impact		Technical Concerns
	x		x
	Included in the Executive Budget		Significant Long-Term Impacts
	x		x
	Dedicated Revenue Form Attached		Family Impact Form Attached

---

## Fiscal Analysis

### ASSUMPTIONS:

1. The proposal allows for installment payments of delinquent property taxes, penalties, and interest. If the total debt owed by a taxpayer is less than \$9,000, the taxpayer may pay through installments for no more than 24 months and six installments. The taxpayer must apply to the county for this arrangement. Once the installment agreement is reached, the taxes are no longer considered delinquent.
2. Delinquency lists are the responsibility of the county treasurer and county clerk and recorder; the Department of Revenue does not keep tabulation of the delinquency lists. The impact on revenues will be dependent on the amount of delinquent taxpayers who participate in the installment program.
3. There is estimated to be no fiscal impact to the Department of Revenue.

### EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The impact on revenues will be dependent on the amount of delinquent taxpayers who participate in the installment program. Counties would bear the cost of administering the proposed installment program. Costs to county governments associated with the proposal could include bookkeeping and accounting, computer programming, and or software to comply with the installment program. If the costs are substantial, the proposal could be in violation of 1-2-112, MCA (un-funded mandate). Section 4(a) of that law considers an insubstantial amount to be “a required expenditure of the equivalent of approximately 0.1 mill or less levied on taxable property of the local government unit”. For a county with a tax base of \$30,000,000, a 0.1 mill levy would produce \$3,000. Of the 56 counties only 10 have a tax base greater than \$30,000,000.